

# IndianaInvestor

August 2010



We here at the State Treasurer's Office would like to use this month's newsletter to better inform you about your administrator, Cutwater Asset Management. Cutwater has been an investment manager for 20 years and has grown steadily over time to now be ranked within the top 100 of all global money managers.<sup>1</sup> Cutwater currently has,

as of June 30, 2010, nearly \$43 billion in total assets under management, including nearly \$11 billion in short-term fixed income investments similar to those of TrustIndiana.

Although there are numerous money managers in the marketplace, Cutwater is committed to taking the long view on investing by seeking superior performance while minimizing risk. With the same senior team that has been together for nearly 15 years, Cutwater believes that the key to its success has been consistency over time.

Although investors see market bubbles and market cycles, many investors do not possess the patience and mindfulness of these market emotions to provide consistent performance. Cutwater states that their long-term view and attention to market fluctuations allows them to wait for the appropriate opportunity to deploy capital and to perform well in any market environment.

Cutwater Asset Management's focus and expertise is entirely within the fixed income universe and therefore Cutwater believes that they are one of the few fixed income specialists with the resources of a large-sized firm but with the client service of a boutique company. This has enabled them to build out and support an immensely experienced investment management team, as well as state of the art infrastructure encompassing technology, systems and processes.

Cutwater's investment philosophy, which has been honed over 20 years, focuses on credit risk management as a key driver of return. They do their own proprietary research with a team of 17 specialists dedicated to subsectors of the overall credit markets. Cutwater says this has resulted in superior performance in both up and down markets where they believe they have a keen insight to when and, more importantly, when not to add risk.

We believe that the future is bright for the relationship between Cutwater and TrustIndiana. They have always placed critical emphasis on compliance and risk management as a core competency in order to ensure long-term business success. Furthermore, the portfolio managers assigned to TrustIndiana are required to be intimately familiar with the Investment Policies and guidelines set forth by the State Treasurer's Office. Cutwater believes their portfolio management structure reflects their steady investment practices and the discouragement of short-term thinking, which in some cases can lead to undisciplined decision making. We at the State Treasurer's Office are extremely pleased with the job that Cutwater has done and have great confidence that they will continue to manage the TrustIndiana program through these tumultuous economic times. It is with great pleasure that we announce that Cutwater Asset Management has been named one of the "Top Guns Manager of the Decade" for short term fixed income management by PSN Investment Manager Database.<sup>2</sup>

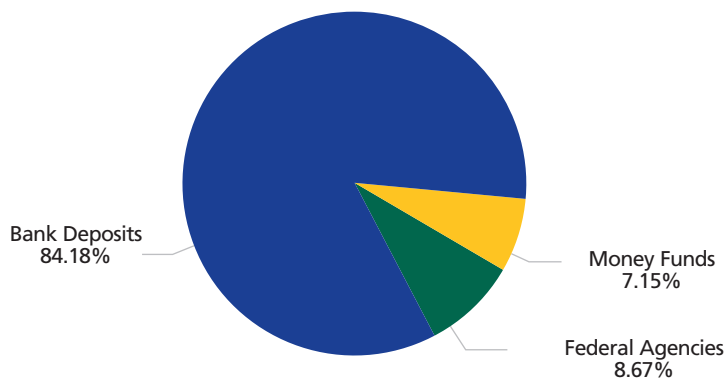
Sincerely,



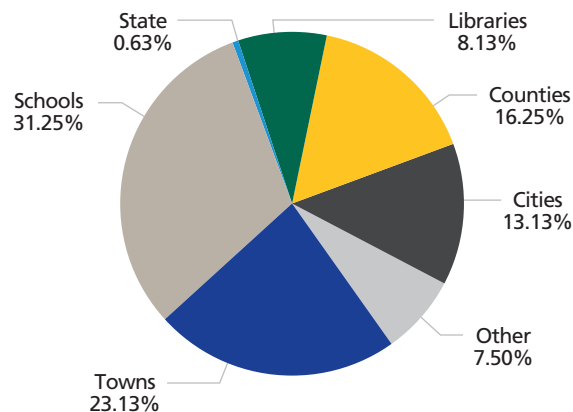
Richard Mourdock, Indiana State Treasurer

## Fund Highlights as of July 31, 2010:

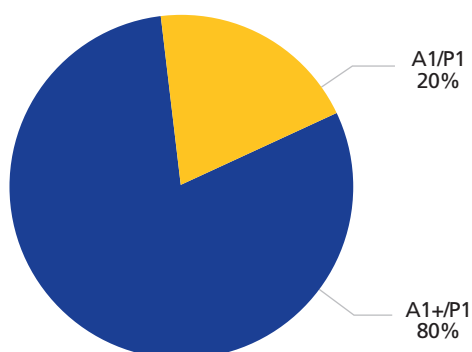
### Portfolio Composition



### Participant Breakdown

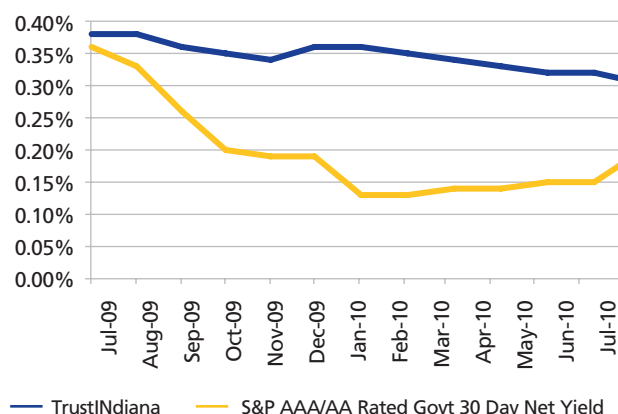


### Investment Credit Quality



### TrustIndiana vs S&P AAA/AA GIP

(30 Day Avg Yields)



Month	Avg Daily Yields	WAM	NAV	Month Ending Net Assets
Apr-10	0.33%	30 Days	1.0000	\$627,848,437
May-10	0.32%	32 Days	1.0000	\$680,946,651
Jun-10	0.32%	30 Days	1.0000	\$592,100,321
Jul-10	0.31%	29 Days	1.0000	\$633,812,898



#### TrustIndiana

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